

USSR: ADJUSTING TO THE US GRAIN EMBARGO

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Introduction

In January 1980 the US and its major allies adopted a package of economic denial measures against the USSR following the Soviet intervention in Afghanistan. The denial measure that shocked the Soviet Union the most and since has been the most controversial was the partial-embargo placed on grain shipments by the US and cooperating exporters. Differences continue to exist in the media and among exporters about the effectiveness of the US sanctions denying the USSR 17 million tons of US grain in the US-USSR Long Term Agreement (LTA) year ending September 1980.

(U)

Maximizing imports and drawing down stocks would have softened, but not eliminated the adverse impact of the production

Shortfall on livestock goals. Supplies of grain for 1961
could have been below requirements. (U)

Internal Transportation Constraints

The Soviet transportation system moves a large volume of grain annually in conjunction with the domestic harvest and the distribution of imported grain. The overwhelming share is transported by rail -- the primary mode of transportation in the Soviet Union; some 93 percent of all grain tonnage was shipped by rail in 1975 while only six percent were transported on the rivers. (U)